GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Chit Fund Act, 1982 – Appeal Petition filed by Smt. Nafees Sultana and two others against the Award passed in Dispute No.136/2018 dated 26.04.2019 by the Deputy Registrar of Chits, Vijayawada, Krishna District – Orders – Issued.

REVENUE (REGN.II) DEPARTMENT

G.O.RT.No. 796 Dated: 26-07-2019

Read the following:-

1. Appeal Petition filed by Smt. Nafees Sultana and two others, dated 30.05.2019.
2. Govt. Letter No. REVSOACTS(CHIT)/19/2019, Dated:14.06.2019 and 08.07.2019.

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ORDER:-

Smt. Nafees Sultana and two others have filed an Appeal Petition before the Government under Section 70 of the Chit Fund Act, 1982 against the Award in Dispute No.136/2018 dated 26.04.2019 by the Deputy Registrar of Chits, Vijayawada at Krishna District.

2. Brief facts of the case is as follows:-

(i) The appellant herein has joined the Chit Fund Company as a subscriber in a Chit Group No.LT04DB of 2014 for a value of Rs.25,00,000/- which is payable at the rate of Rs.50,000/- per month for a period of 50 months and the appellant herein has participated in the chit auction held on 29.05.2015 and became successful bidder having agreed to forego an amount of Rs.10,00,000/- out of chit value of Rs.25,00,000/- and after declaring as successful bidder, the appellant submitted 2 to 7 as guarantors, who executed an agreement of guarantee and also executed demand promissory note and other necessary documents in favour of Respondent No.1 (Chit Fund Company) and the company has paid the prize amount to the appellant. The appellant paid only 34 installments and thereafter committed default in paying the 35th installment i.e., from 15.12.2017 onwards. The 1st respondent herein has issued a demand legal notice dated 20.03.2018 to all the opponents through their advocate. As there is no reply, the 1st respondent filed a dispute application before the Deputy Registrar of Chits, Vijayawada, Krishna District and the same was numbered as ACP No.136 of 2018. The Deputy Registrar of Chits, Vijayawada, Krishna District sent notices to 1-7 respondents herein to appear before the Arbitrator/Dy. Registrar of Chits, Vijayawada. The appellant herein and six others were served with notices, no representation. The Deputy Registrar of Chits, , Vijayawada, Krishna District passed award in ACP No.136/2018, dated:26.04.2019 in favour of the Respondent No.1 herein ordering that the company is entitled to recover a sum of Rs. 7,59,873/-(Rupees seven lakhs fifty nine thousand eight hundred and seventy three only) from opponents 1 to 7 together with interest at the rate of 12% per annum on the principal amount of Rs.6,99,613/- from the date of Dispute i.e., 25.05.2018 to till the date of realization and also Rs.26,070/- towards costs of the dispute.

(ii) Aggrieved by the above said award, the appellant filed the present appeal.

3. The case is posted for final hearing on 22.07.2019 at 11.00 a.m. The Counsel for the Appellant and the Counsel for Respondent (Chit Fund Company) attended. Heard both the parties.

4. Government after careful examination of the material available on record, allowed the appeal and the order passed by the Deputy Registrar of Chits, Vijayawada, Krishna District is hereby modified. The appellants herein who are the Opponents No.1 to 7, in ACP No. 136/2018, dated: 26.04.2019 on the file of Deputy Registrar of Chits, Vijayawada, Krishna District are hereby directed to pay the Award amount of Rs.6,99,613/- (Rupees six lakhs ninety nine thousand six hundred and thirteen only) (after waiving of interest of Rs.60,260/-) and Rs.26,070/- towards costs of the dispute as mutually agreed by both the parties within 2 months i.e., by 26.09.2019. In default, the Respondent No.1 (Chit Fund Company) who is the disputant in ACP No. 136/2018 is at liberty to proceed as per Chit Fund Act,1982 to recover the award amount as decreed by Deputy Registrar of Chits, Vijayawada, Krishna District in ACP No. 136/2018 after 26.09.2019 from the opponents.

(P.T.O)

5. In exercise of the powers conferred under section 70 of the Chit Fund Act, 1982, the Government is hereby allowed the appeal of the appellant being common understanding of both the parties and disposed of accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT

1. The Dy. Registrar of Chits, Vijayawada, Krishna District.
2. M/s Margadarsi Chit Fund Pvt., Ltd., Governorpet Branch through the Dy.Registrar of chits Krishna at Vijayawada.
3. Smt.Nafees Sultana, W/o. Mohammad Abdul Aleem Khan,Prop: Naaz Hardware Mart, 12-4-20, Shaik Umar Street, Park Road, Tarapet, Vijayawada through the Dy.Registrar of Chits, Krishna at Vijayawada.
4. Sri Shaik Haneef, S/o. Shaik Mahaboob Subhani, Prop: Haneef & Co., Flat No. 101, AB Plaza, Purnachandra Nagar, Krishnalanka, Vijayawada through the Dy.Registrar of chits Krishna at Vijayawada.
5. Sri Mohammad Abdul Aleem Khan, S/o. Mohammad Abdul Majeed Khan, Manager, M/s.Naaz Hardware Mart,12-4-20, Shaik Umar Street, Park Road, Tarapet,Vijayawada through the Dy. Registrar of Chits, Krishna at Vijayawada.
6. Sri Sunkara Vasu, S/o. Satyanarayana, Prop: Sri Ganesh Steels, 12-13-107, Abdul Khadar Street, Islampet, Vijayawada through the Dy. Registrar of Chits, Vijayawada.
7. Sri Kurakula Vamsi Gangadhar, S/o. Venkanna Babu, Prop: M/s. A One Distributors, D.No. 21-12-126,Thota Kedareswararao Veedhi, Indira Colony, Madhura Nagar Vijayawada through the Dy. Registrar of Chits, Vijayawada.
8. Sri Akkala Venkateswara Rao, S/o. Sita Ramaiah, Prop: M.s Sri Venkateswara Steel Dealers 12-12-72B, Pady Street, Tarapet, Vijayawada through the Dy. Registrar of chits,Vijayawada.
9. Sri Jupudi Srinivasa Rao, S/o. Sambasiva Rao, Prop: Sri Baba Steels, 12-12-90, Padi Street, Islampet, Vijayawada through the Dy. Registrar of Chits, Vijayawada.
10. P.Jeevana Jyothi, Advocate, H.No. G F2, Harshita Mega Towers, Sara Kottu Centre, Gollapudi, Vijayawada through the Dy. Registrar of Chits, Vijayawada.

Copy to:

11. The Commissioner & Inspector General, R&S, A.P., Vijayawada.
12. The P.S. to Spl. C.S. to Govt., Revenue (Regn) Dept.

//FORWARDED:BYORDER//

SECTION OFFICER